

117TH CONGRESS  
1ST SESSION

S. 1232

To modify the maximum paycheck protection program loan amount for farmers and ranchers, sole proprietors, independent contractors, and self-employed individuals.

IN THE SENATE OF THE UNITED STATES

APRIL 20, 2021

Ms. BALDWIN introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

# A BILL

To modify the maximum paycheck protection program loan amount for farmers and ranchers, sole proprietors, independent contractors, and self-employed individuals.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

### **3 SECTION 1. CALCULATION OF MAXIMUM PPP LOAN**

**4 AMOUNT:**

### 5 (a) IN GENERAL

6 Business Act (15 U.S.C. 636(a)(36)(V)) is amended

<sup>7</sup> (1) by striking clause (i) and inserting the

1                 “(i) DEFINITION.—In this subparagraph,  
2                 the term ‘covered recipient’ means  
3                 an eligible recipient that—

4                         “(I)(aa) operates as a sole proprietorship, as an independent contractor, or as a partnership with gross  
5                 farming income from self-employment;  
6                 or

7                         “(bb) is an eligible self-employed  
8                 individual;

9                         “(II) reports farm income or expenses on a Schedule F (or any equivalent successor schedule); and

10                         “(III) was in business as of February 15, 2020.”; and

11                 (2) by striking clause (iv) and inserting the following:

12                         “(iv) PARTNERSHIPS WITH NO EMPLOYEES.—With respect to a partnership without employees, the maximum covered loan amount shall be equal to the sum of—

13                         “(I) the product obtained by multiplying—

14                         “(aa) the gross income, limited to the amount attributable to

1 general partners as determined  
2 by the sum of their distributive  
3 shares of gross farming income  
4 from self-employment, that is not  
5 more than \$100,000 per partner,  
6 and no more than \$500,000 in  
7 total, divided by 12; and  
8 “(bb) 2.5; and

9 “(II) the outstanding amount of  
10 a loan under subsection (b)(2) that  
11 was made during the period beginning  
12 on January 31, 2020 and ending on  
13 April 3, 2020 that the borrower in-  
14 tends to refinance under the covered  
15 loan, not including any amount of any  
16 advance under the loan that is not re-  
17 quired to be repaid.

18 “(v) RECALCULATION.—

19 “(I) IN GENERAL.—A lender that  
20 made a covered loan before the date  
21 of enactment of the PPP Flexibility  
22 for Farmers, Ranchers, and the Self-  
23 Employed Act may, at the request of  
24 the covered recipient—

1                         “(aa) recalculate the maximum  
2                         loan amount applicable to  
3                         that covered loan based on the  
4                         formula described in clause (ii),  
5                         (iii), or (iv), as applicable, if  
6                         doing so would result in a larger  
7                         covered loan amount; and

8                         “(bb) provide the covered recipient with additional covered  
9                         loan amounts based on that re-  
10                         calculation.

12                         “(II) LOAN LIMITATION.—For  
13                         purposes of receiving a recalculated  
14                         loan amount related to a covered loan  
15                         under subclause (I), paragraph  
16                         (37)(F) shall not apply.

17                         “(III) EFFECT OF FORGIVENESS.—Subject to rules issued by the  
18                         Administrator, a covered recipient  
19                         shall be eligible to submit a request  
20                         for a recalculated loan amount related  
21                         to a covered loan under subclause (I)  
22                         without regard to whether the covered  
23                         recipient has sought or received for-

1                   givenness with respect to the applicable  
2                   covered loan under section 7A.

3                   “(IV) FORGIVENESS OF RECAL-  
4                   CULATED LOAN AMOUNT.—For pur-  
5                   poses of this subparagraph, as soon as  
6                   is practicable upon expenditure of ad-  
7                   ditional covered loan amounts pro-  
8                   vided under subclause (I)—

9                   “(aa) an eligible recipient  
10                  shall attest to compliance with  
11                  applicable requirements under  
12                  this paragraph; and

13                  “(bb) the additional covered  
14                  loan amounts shall be forgiven  
15                  under section 7A.

16                  “(V) REIMBURSEMENT FOR  
17                  LOAN PROCESSING.—The Adminis-  
18                  trator shall reimburse a lender for  
19                  processing recalculation requests  
20                  under this clause in an amount deter-  
21                  mined by the Administrator.”.

22                  (b) EFFECTIVE DATE; APPLICABILITY.—The amend-  
23                  ments made by subsection (a) shall be effective as if in-  
24                  cluded in the CARES Act (Public Law 116–136) and shall  
25                  apply to any loan made pursuant to section 7(a)(36) of

- 1 the Small Business Act (15 U.S.C. 636(a)(36)) before, on,
- 2 or after the date of enactment of this Act.

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